

Message Text

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TO AMEMBASSY OTTAWA

INFO AMCONSUL ST JOHNS

USNAVSTA ARGENTIA NEWFOUNDLAND

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E.O. 11652: GDS

TAGS: MARR, CA

SUBJECT: ARGENTIA LABOR RELATIONS

REFS: (A) OTTAWA 721 (NOTAL); (B) CNO DTG 281829Z APR 75

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1. US NAVAL STATION (NAVSTA) ARGENTIA, EMPLOYS APPROXIMATELY 112 CANADIAN CITIZENS WHO HAVE BEEN HIRED DIRECTLY ("DIRECT-HIRES") BY US NAVY. THEIR WAGES HAVE BEEN DETERMINED BY DEPARTMENT OF DEFENSE WAGE FIXING AUTHORITY (DODWFA), WHICH BASES ITS WAGES ON THE AVERAGE LEVEL OF RATES PAID BY GOVERNMENT OF CANADA TO ITS EMPLOYEES IN COMPARABLE JOBS. SEPARATE WAGE SCHEDULES ARE ESTABLISHED FOR GRADED (WHITE COLLAR) AND MANUAL (BLUE COLLAR) OCCUPATIONS. CONFIDENTIAL

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TIONS. GOVERNMENT OF CANADA, AFTER NEGOTIATIONS WITH CANA-

DIAN PUBLIC EMPLOYEE UNIONS, SETS PAY FOR WHITE COLLAR OCCUPATIONS ON A NATIONWIDE BASIS, AND FOR BLUE COLLAR OCCUPATIONS ON A SPECIFIC ZONE BASIS.

2. CURRENT WAGE SCHEDULES FOR CANADIAN DIRECT HIRES AT ST. JOHNS, NEWFOUNDLAND, BECAME EFFECTIVE ON 19 JANUARY 1975 AND REFLECTED RATES THEN BEING PAID BY GOC. UNFORTUNATELY, CANADIAN FEDERAL TREASURY BOARD (CFTB), WHICH HAD SETTLED ON A NEW CONTRACT WITH ITS WHITE COLLAR EMPLOYEES, HAD NOT REACHED AGREEMENT WITH ITS BLUE COLLAR WORKERS ON A NEW CONTRACT. DODWFA, RATHER THAN DELAY, ISSUED NEW WAGE SCHEDULES FOR CANADIAN DIRECT-HIRE BLUE COLLAR WORKERS, REFLECTING AN 8.2 COST OF LIVING INCREASE, BUT WITHOUT A CONTRACT INCREASE, PENDING SETTLEMENT BETWEEN THE CFTB AND THE CANADIAN PUBLIC SERVICE ALLIANCE (PSA), REPRESENTING BLUE COLLAR WORKERS. THIS EXPLAINS THE DIFFERENCE BETWEEN WAGE INCREASE GRANTED TO BLUE COLLAR WORKERS AND THE INCREASES TO WHITE COLLAR WORKERS ON 19 JANUARY 1975. NOW THAT THE CFTB AND PSA HAVE REACHED AGREEMENT, DODWFA WILL MAKE NECESSARY CHANGES TO ITS BLUE COLLAR WAGE SCHEDULE. DOD REPS WILL BE PREPARED AT MAY 7 MEETING PLANNED FOR ARGENTIA (REFTEL B) TO DISCUSS ANY FURTHER QUESTIONS REGARDING SALARY SCHEDULES. IN ADDITION TO DOD REPS, CONSUL GENERAL DOBBS AND UNION REPS WILL BE AT MEETING AND PROVINCIAL OFFICIAL ALSO INVITED.

3. MORE DIFFICULT ISSUE IS QUESTION OF UNION ORGANIZATION AND RELATIONSHIP WITH CO NAVSTA ARGENTIA. SINCE MAY 1969, CANADIAN UNION OF NATIONAL DEFENCE EMPLOYEES (UNDE) HAS REPRESENTED ALL CANADIAN CITIZEN EMPLOYEES OF NAVSTA ARGENTIA. ON 18 NOVEMBER 1974, THE CANADIAN UNION OF PUBLIC EMPLOYEES (CUPE) NOTIFIED COMMANDING OFFICER, NAVSTA ARGENTIA, IN WRITING, THAT A MAJORITY OF BLUE COLLAR EMPLOYEES HAD FORMED CUPE LOCAL 1793 AND REQUESTED EXCLUSIVE RECOGNITION. CO NAVSTA REPLIED ON 16 DECEMBER 1974 THAT CUPE COULD ACHIEVE EXCLUSIVE RECOGNITION, SUBJECT TO CERTAIN CONDITIONS, INCLUDING ACCEPTANCE OF SECRET BALLOT TO DETERMINE UNION RECOGNITION. CUPE HAS AGREED TO SECRET BALLOT AND NUMBER OF OTHER CONDITIONS, BUT NOT CONFIDENTIAL

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TO NAVY'S DESIRE THAT IT ACCEPT A LABOR RELATIONS PROGRAM PROHIBITING STRIKES AND A UNION SHOP AND THAT IT ACCEPT THE DODWFA SYSTEM FOR DETERMINING WAGES, FRINGE BENEFITS, AND RELATED MATTERS. CUPE REPLIED TO CO NAVSTA THAT IS IS SUBJECT ONLY TO CANADIAN NATIONAL AND NEWFOUNDLAND LABOR RELATIONS LAWS REGARDING RIGHT TO STRIKE AND UNION SHOP AND WILL COMPLY WITH PROVISIONS OF THESE LAWS; IT ALSO INSISTS ON FREE COLLECTIVE BARGAINING AS THE MEANS

OF DETERMINING WAGES, FRINGE BENEFITS, AND RELATED MATTERS. BECAUSE OF THESE DIFFERENCES, NO DATE HAS BEEN SET FOR ELECTION.

4. NAVY HAS NOW WITHDRAWN ITS REQUEST THAT CUPE SHOULD, AS A PRECONDITION OF A SECRET BALLOT ELECTION AND EXCLUSIVE RECOGNITION, AGREE NOT TO STRIKE, NOT TO FORM A UNION SHOP, AND TO ACCEPT THE DODWFA SYSTEM OF DETERMINING WAGES, FRINGE BENEFITS, AND RELATED MATTERS. (THIS DECISION WILL BE COMMUNICATED TO CUPE AT MAY 7 MEETING). THESE MATTERS WILL, IF CUPE WINS THE ELECTION, BE THE SUBJECT

OF DISCUSSIONS BETWEEN NAVY AND CUPE OVER A LABOR CONTRACT. OUR VIEW IS THAT THERE IS NOTHING IN US LAW OR DOD INSTRUCTION 1400.10, THE APPLICABLE ADMINISTRATIVE REGULATION, THAT PROHIBITS NAVY FROM DEALING WITH CUPE ON THESE MATTERS. AT THE SAME TIME, HOWEVER, DOD NEEDS TO INSURE THAT, IN ACCORDANCE WITH DOD INSTRUCTION 1400.10, WAGES AND SALARY SCALES CONTINUE TO BE BASED ON LOCAL PREVAILING RATES AND THAT COLLECTIVE BARGAINING PROCESS NOT RESULT IN DEPARTURE FROM THIS BASIC PRINCIPLE. BEYOND THAT, DOD IS CONCERNED OVER POSSIBLE FUTURE EXERCISE OF RIGHT TO STRIKE IN COLLECTIVE BARGAINING PROCESS AND CONSEQUENCES THAT COULD ENTAIL FOR OPERATIONS AT NAVSTA ARGENTIA. IF CUPE BECOMES REPRESENTATIVE OF BLUE COLLAR WORKERS AT NAVSTA ARGENTIA AND SUCCEEDS IN INCORPORATING ITS PRESENT POSITION IN SUBSEQUENT LABOR CONTRACT, WE WOULD HAVE TO CONSIDER EXPLORING WITH GOC HOW US INTERESTS AT THE BASE COULD BE PRESERVED IN FACE OF THIS NEW LABOR RELATIONSHIP.

5. SINCE PARA 4 CONTAINS POSITION DOD WILL TAKE AS EMPLOYERS NAVSTA, WE WANT ITS CONTENTS TO BE KEPT CONFIDENTIAL

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DENTIAL AND NOT DISCLOSED TO UNION REPRESENTATIVES BEFORE MAY 7 MEETING. WE ARE HOPEFUL THAT MAY 7 MEETING IN ARGENTIA WILL RESULT IN AGREEMENT THAT WILL ESTABLISH A MUTUALLY ADVANTAGEOUS LABOR-MANAGEMENT RELATIONSHIP AT THE STATION SPECIFICALLY, WE EXPECT THE MEETING TO SET THE STAGE FOR THE SECRET BALLOT ELECTION.

6. EMBASSY MAY DRAW ON ABOVE INFORMATION AS APPROPRIATE TO ANSWER QUESTIONS POSED BY EXTAFF (REFTEL A) UNDERSCORING FACT THAT WE ARE LOOKING TO MAY 7 MEETING AS VEHICLE FOR DISCUSSION OF ALL MATTERS AT ISSUE. KISSINGER

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